Frequently Asked Questions Chartering Agency Accountability August 2014

Legislative guidance http://legislature.mi.gov/doc.aspx?mcl-380-502

Questions that pertain to Chartering Authorizers

1. What does it mean to be "At Risk of Suspension"?

The State Superintendent has requested staff to review Chartering Agency oversight in a variety of areas to determine those agencies that are deficient or negligent in their efforts to oversee the public school academies (PSAs) they have authorized. The "At Risk of Suspension" label notes that such an agency has lapsed on key components of PSA oversight, and may be suspended if issues are not remediated in subsequent review.

2. What are the metrics MDE will use to measure a Chartering Agency?

There will be four categories that will be used for Chartering Agency evaluation in 2014. A fifth category, Assurances and Verification, will be incorporated in future evaluation efforts:

- a. Academics of a Chartering Agency portfolio
 - i. Aggregate Top to Bottom (ATtB) with the portfolio at or below 10 percent on the ATtB (This metric utilizes the MDE Accountability methodology of the "Top to Bottom" list and groups appropriate student data from all of the PSAs of an authorizer portfolio into a single "school", and applies the Top to Bottom ranking to that "school," effectively providing a percentile ranking for the entire portfolio of schools based on existing business rules.)
 - ii. As a supplemental measure, MDE will collaborate with authorizers to review potential academic measures addressing student improvement. This can be considered for authorizers that do not meet the ATtB threshold listed above.

b. Charter contracts

- i. New or reauthorized contracts that are submitted with more than 2 deficiencies
- c. Transparency
 - i. Number of websites within a Chartering Agency portfolio with inactive or outdated "transparency mittens"
 - ii. Number of websites without updated budgets
- d. Fiscal
 - i. Number of late audits within a Chartering Agency portfolio

- ii. Number of audit findings for Public School Academies (PSAs) within the portfolio
- iii. Number of deficit districts within a Chartering Agency portfolio

3. What criteria are used to determine a charter contract is deficient? A Chartering Agency must adhere to the approved chartering contract checklist available on the PSAU website www.michigan.gov/charters

4. What is the remediation process to eliminate the "At-Risk" of suspension status?

MDE has published an At-Risk of Suspension list. The MDE will provide the opportunity for those Chartering Agencies named to the At-Risk list to address deficient areas until October 22, 2014. They will have the opportunity to remediate their deficiencies before a final determination is made to suspend the authorizer's future chartering ability. MDE will also convene Chartering Agencies to include an additional factor to take into account the academic improvement of their portfolios. Chartering agencies that are still deficient in any of these categories will be suspended, and those that have remediated all deficiencies and meet the threshold for academic improvement will be removed from the At-Risk list.

5. How can a Chartering Agency refrain from being named to the At-Risk for Suspension or be removed from the current suspension list?

The Chartering Agency will address all of the following:

- submit contracts that contain zero deficiencies;
- address website transparency issues;
- create oversight plans that demonstrate a process where portfolio schools eliminate late audits;
- address any audit findings; and
- monitor finances to ensure budget deficits do not occur and if they do, are remediated quickly.

Failure to address all of these components for those Chartering Agencies on the At-Risk list will result in suspension of charter authorizing. The Chartering Agency will also need to review and oversee of academic performance of schools in its portfolio to ensure strong academic outcomes over time, improvement and student growth, and supports for all students in order to reduce achievement gaps for the lowest performing students. While the review of Chartering Agencies will use academic accountability metrics to ultimately determine At-Risk or suspension status, these institutions can increase academic oversight by incorporating the following efforts:

 review academic performance of existing institutions or service providers prior to considering renewal or reauthorization of schools

- review other academic indicators, such as graduation rate and subjectspecific achievement, to ensure that schools address areas of deficiency;
- develop and implement a plan for portfolio schools that address the academic needs of students in the bottom 30%; and
- develop and implement strategies that would result in positive improvement for schools, and work with Priority schools to implement their Reform / Redesign plans or close schools that do not improve.

6. What is the basis for placement of Chartering Agencies on the "At Risk for Suspension" list?

The Michigan Department of Education (MDE) is using metrics attached to current law (MCL380.502 - 507), the Revised School Code. The State Superintendent can take such action or suspend authorizing in accordance with state law.

7. Per MCL 380.502 (5) - A contract issued by the Chartering Agency before the suspension is not affected by the suspension. Is a reauthorization considered a new contract?

No, provided the reauthorized contract does not expand, replicate, or add sites.

8. What does it mean to make acceptable progress?

A Chartering Agency will need to remediate the identified deficiencies in the four areas of focus: academic performance, fiscal, contract completion and website transparency as stipulated in item #2 from this FAQ document. Failure to address these factors, or related academic considerations such as improvement in student performance, is unacceptable, and will result in suspension of authorization of new public school academies.

9. What criteria are used to recommend a Chartering Agency for suspension?

The State Superintendent will review information from four categories of oversight that are expected to be addressed by Chartering Agencies: academic performance, fiscal responsiveness, contract completion and chartering agency portfolio website transparency. The specific metrics of these categories as reviewed in 2014 is listed in item #2 from this FAQ document. Other considerations may be added to this list in the future based upon legislation or additional analysis by MDE and input from stakeholders and Chartering Agencies. MDE will convene a series of meetings to discuss and consider these additional criteria.

10. If the Chartering Agency does not make acceptable progress in the four categories, will they permanently lose the ability to authorize?

The Chartering Agency suspension will be reviewed annually. Repeated failure to make significant improvements could cause a Chartering Agency to be suspended indefinitely until it is clear that the Chartering Agency is capable of providing oversight of the authorizing process to ensure appropriate outcomes in all categories evaluated by this process.

11. Are all Chartering Agencies subject to suspension regardless of how many PSAs they authorize?

The number of PSAs authorized is not a factor in the review of oversight considerations and capabilities of Chartering Agencies. However, those Chartering Agencies that are new and have not been in existence long enough to have relevant accountability data for academic consideration will not be considered for suspension.

12. There are schools that the Chartering Agency oversees that aren't on the Top to Bottom list, due to either school size considerations, "full academic year" considerations, or other business rules of the Top to Bottom list. What will happen to students in those schools if the ability to re-authorize is suspended?

The decision to suspend a Chartering Agency is different than a decision to close a school. The decision to close a school is determined by the Chartering Agency, and can be done by the Chartering Agency to address poor academic performance or other considerations for oversight by the Chartering Agency that are appropriate. The suspension of the Chartering Agency means that the agency can no longer authorize new schools for its portfolio, nor can it expand or replicate existing schools, or add school sites to existing PSAs.

13. If suspended or put on the At-risk of Suspension list, will the Chartering Agency be required to inform the parents?

No. The Chartering Agency should clarify the impact of suspension for individual PSAs and their Boards within their portfolio, but, because the suspension does not specifically impact individual schools, no parent communication is required.

14. How long does a suspension last and how does a Chartering Agency get off the list?

Suspension will last from the date imposed to review and publication of the next calendar year's At-Risk list, generally in early fall of each year. Chartering Agencies that were suspended and have remediated all oversight categories identified in item #2, or any subsequent review considerations that may be developed over time, will be removed from the list at that time, and

may begin the process to authorize new schools in accordance with the timeline and authorization process outlined in legislation.

15. What is the impact on a Chartering Agency's ability to authorize new schools if they are suspended?

Chartering Agencies under suspension are prohibited from issuing contracts to new PSA and from expanding, replicating, or adding sites to existing PSAs. A new contract issued by the Chartering Agency during the suspension is void.

16. What does it mean for a school if their Chartering Agency is suspended?

The suspension pertains to the Chartering Agency and not the schools within its portfolio. The suspension also does not impact existing schools within the Chartering Agency's portfolio – it simply limits the ability to authorize new charter contracts to PSAs, or to expand existing PSAs. Contracts issued by the authorizing body before the suspension will not be affected by the suspension action.